appropriate action under the provisions of the Companies Act, 1956 and other laws, as warranted, to deal with such incidents.

(c) to (e) The Government has already suspended the previous Board of Directors and appointed six new Directors on the Board of the Company with the due approval of Company Law Board given *vide* its order dated 9.1.2009. The new Directors appointed by the Government are persons of eminence in various fields such as Information Technology, Accounting, Finance, Business Administration, Law and Regulation etc. The new Board is taking all possible steps to continue the operations and the business of the Company and to safeguard the interests of its shareholders, employees and all other stakeholders. The Board has the necessary powers under the Companies Act, 1956 to take all steps as may be required for the welfare of the Company.

Plight of investors and employees of Satyam Computer Services

159. SHRI VIJAY JAWAHARLAL DARDA: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether it is a fact that Indian and Foreign investors have lost around Rs. 23,000 crores in the value of their shares, and over 40,000 employees are facing an uncertain future, but this magnitude is being overlooked during ongoing investigations into the Satyam scam;

(b) if so, how the swindle worth more than Rs. 7,000 crores and the deceit went on for over seven years, escaping the vigilant eyes of Government Regulatory Authorities or well-known established auditors; and

(c) whether Government would ensure that in future "open and competitive capitalism" does not convert itself into "dark neither regions of crony capitalism"?

THE MINISTER OF CORPORATE AFFAIRS (SHRI PREM CHAND GUPTA): (a) No, Sir.

(b) and (c) While there exist a detailed regulatory framework in India that provides for disclosures of audited financial statements of a company that can be viewed by various stakeholders and regulators along with penalties for non-disclosures/ non-compliance, it is possible, in isolated cases for such disclosures to be made by the directors and officers of a company in a fraudulent manner. When any such information comes to light, the Indian regulatory system is fully capable of responding quickly and taking prompt effective action under the law as warranted in the interest of all stakeholders. Such action is being taken in the case of Satyam Computer Services Ltd. as well.

Detection of scam in satyam

160. SHRI LALIT KISHORE CHATURVEDI: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) the date on which the recent scam of Satyam Computers has came into the knowledge and how;

(b) whether the World Bank debarred the Satyam Company in 2007 from carrying out work relating to IT sector for a period of five years;

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†Original notice of the question was received in Hindi

(c) whether the State Government of Andhra Pradesh had given land, loan facility, resources management and IT works on priority to the Satyam;

(d) whether Government proposes to bail out this company; and

(e) if so, the details thereof?

THE MINISTER OF CORPORATE AFFAIRS (SHRI PREM CHAND GUPTA): (a) On 7.01.2009, a statement was made by the then Chairman of Satyam Services by way of an e-mail, originally addressed to the Board members of Satyam under copy to SEBI and stock exchanges, informing about mis-statement in the published accounts of Satyam. The SEBI, in turn, forwarded copy of this e-mail to this Ministry on the same date leading to action on various counts.

(b) Yes, Sir. The World Bank has banned the company in September, 2008 for a period of 8 years and made it ineligible to receive bank group contracts and has excluded the company from conducting business with the bank.

(c) Necessary information is being collected and will be laid on the Table of the House.

(d) and (e) To protect the interests of the company and its investors, employees, other stakeholders and to instill confidence in the Indian corporate sector, on the application of this Ministry under Sec. 388B/ 397/398 read with Sections 401-408 of the Companies Act, 1956, the Hon'ble Company Law Board, while suspending the existing Board, authorized the Central Government to appoint up to 10 directors on the Board of the company. The Government has appointed 6 directors of eminence in various fields on the Board, and this Board is taking appropriate decisions on the basis of their assessment of the situation, to protect the interests of all concerned and to smoothly run the affairs of the company. This Ministry has ordered investigation under Sec. 235 of the Companies Act, 1956 into the affairs of Satyam through the Serious Fraud Investigation Office. There is no proposal for any financial bailout of the company, which is expected to sustain its operations on its own strength and under the guidance of the new Board.

New accounting system for companies

161. SHRI B.K. HARIPRASAD: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether India has committed to enforce International Financial Reporting Standards comparable with those already enforced on companies in more than 150 nations; and

(b) if so, whether the Institute of Chartered Accountants of India has been assigned the task with helping the Central Public Sector Enterprises switch over to the new accounting system by the targeted deadline of April, 2011?

THE MINISTER OF CORPORATE AFFAIRS (SHRI PREM CHAND GUPTA): (a) The Government has adopted the approach of convergence of Companies (Accounting Standards) Rules, 2006, containing accounting standards applicable to all Indian companies, with International Financial Reporting Standards (IFRS) by 2011.

(b) No, Sir.